

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	CSHB 37(W&M)
Fiscal Note Number:	2
(H) Publish Date:	5/19/2021

Identifier: HB037-DOR-PFD-5-17-21
Title: INCOME TAX; PERMANENT FUND; EARNINGS RES.
Sponsor: WOOL
Requester: (H) Ways & Means

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Permanent Fund Dividend Division
OMB Component Number: 981

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services	26.2						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	26.2	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1050 PFD Fund (Other)	26.2						
Total	26.2	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/21

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Revenue

Phone: (907)465-2324
Date: 05/17/2021 01:00 PM
Date: 05/18/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION**Analysis**

The proposed legislation changes the calculation formula for the Permanent Fund Dividend (PFD). It allows an Alaskan to direct all or part of their dividend to pay a state income tax. Based on the eligibility definition in AS 43.23.005, after an eligibility determination has been made, the PFD Division will transfer funds to the Tax Division as directed by the applicant.

Eligibility is an ongoing activity; the PFD Division will transmit the information once per month, as eligible applicants are paid.

The bill will require the PFD Division to modify online and paper PFD application forms for one-time administrative costs of 20 hours at \$25.00 per hour. The PFD Division estimates one-time programming costs of 218 hours at \$120 per hour for a total of \$26.2. Ongoing costs will be absorbed by the Division.